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Hearing Date: February 24, 2009
Hearing Time: 10:00 a.m.

- and -

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Proposed Counsel for the Official Committee of
Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	CHAPTER 11
	:	
FORTUNOFF HOLDINGS, LLC, AND	:	CASE NO. 09-10497
FORTUNOFF CARD COMPANY, LLC	:	
	:	
	:	
Debtors.	:	(JOINTLY ADMINISTERED)

LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO DEBTORS' MOTION FOR ENTRY OF AN INTERIM ORDER AND FINAL ORDER UNDER SECTIONS 105(a), 345(b), 363 AND 364 OF THE BANKRUPTCY CODE AUTHORIZING THE (A) CONTINUED USE OF THE EXISTING CASH MANAGEMENT SYSTEM, (B) MAINTENANCE OF EXISTING BANK ACCOUNTS, AND (C) CONTINUED HONORING OF CERTAIN PREPETITION OBLIGATIONS RELATED TO THE USE OF THE CASH MANAGEMENT SYSTEM.

The Official Committee of Unsecured Creditors (the "Committee") in the cases of Fortunoff Holdings, LLC and Fortunoff Card Company, LLC ("Fortunoff" or the "Debtors"), by and through its proposed counsel, Arent Fox LLP, respectfully submits this Limited Objection to the *Debtors' Motion for Entry of an Interim Order and Final Order Under Sections 105(a)*,

345(b), 363 and 364 of the Bankruptcy Code Authorizing the (a) Continued Use of the Existing Cash Management System, (b) Maintenance of Existing Bank Accounts, and (c) Continued Honoring of Certain Prepetition Obligations Related to the Use of the Cash Management System. (the “Cash Management Motion”) (D.E. 4) and represents as follows¹:

1. On Friday, February 20, 2009 the Committee filed its Preliminary Objection to the Motion of the Debtors Pursuant to Sections 105(a), 361, 362, 363, 364 and 552 of the Bankruptcy Code and Bankruptcy Rule 4001(b) for Entry of Interim and Final Orders (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Granting Liens, Including Priming Liens, and Superpriority Claims Pursuant to 11 U.S.C. § 364; (III) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363; (IV) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361, 363 and 364; and (V) Scheduling a Final Hearing (“Objection to DIP Financing”) (D.E. 214).

2. Based on the same reasoning contained in the Objection to DIP Financing², the Committee objects to the Debtors’ Cash Management Motion because:

- The Cash Management Motion seeks to continue the Debtors’ prepetition cash management system and seeks to conform such system to the DIP Financing for the benefit of the prepetition bank lenders;
- The relief sought by the Cash Management Motion relates directly to the DIP Financing Motion and, as such, the Court should first consider the DIP Financing Motion;
- In the event the Court were to disapprove the DIP Financing Motion, the requested cash management system would be rendered ineffective, would make no business sense, and would not be in conformity with the Bankruptcy Code;
- If the Debtors instead proceed by use of cash collateral, which the Committee advocates, the cash management system would need to be revised.

¹ All capitalized terms used herein and not otherwise defined have the meanings set forth in the Sale Motion.

² The Committee hereby incorporates its Objection to DIP Financing by reference.

3. For all of the foregoing reasons, as well as those contained in the Committee's Preliminary Objection to DIP Financing, the Committee respectfully requests that the Court deny the relief requested in the Cash Management Motion at this time without prejudice, or in the alternative, withhold the relief requested by the Cash Management Motion unless the issues raised by the Committee have been addressed satisfactorily and grant such other, further and different relief as is just and proper.

WHEREFORE, for all the reasons set forth herein, the Committee respectfully requests that the Court deny the Motion in its entirety unless the issues raised above have been addressed satisfactorily and grant such other relief as the Court deems just and proper.

Dated: New York, New York
February 23, 2009

ARENT FOX LLC

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